



Capital Budget Summary

Infrastructure and General Government Appropriations Subcommittee

Staff: Amanda Kilian | 01/24/2023

Overview

The Capital Budget funds new construction, major remodeling, alterations, repairs, improvements, real estate, roofing, and paving projects. The Capital Budget’s two largest areas are Capital Improvements and Capital Development; other areas include Property Acquisition and Land Banking.

Capital Improvement

A capital improvement is a project on an existing facility that costs less than \$3.5 million; a utility project that costs less than \$7.0 million subject to certain provisions; or new construction that costs less than \$500,000 (UCA [63A-5b-401](#)). At least 90 percent of the state funds appropriated for capital improvements must be used for maintenance or repair of existing buildings or facilities. No more than ten percent of capital improvement funding may be used for aesthetic upgrades or additions to existing buildings (UCA [63A-5b-405](#)). The Legislature is required to appropriate 1.1 percent of the current replacement value (CRV) of existing state facilities and infrastructure to capital improvements before funding the design or construction of any new capital development projects (UCA [63A-5b-406](#)). Statutory capital improvement funding for FY 2024 is \$154,117,600.

The Legislature appropriated \$210,160,600 (or 1.5 percent of CRV) with \$116,340,600 from the Income Tax Fund and \$93,820,000 from the General Fund ([H.B. 6](#), 2023 General Session, Item 72). The following tables shows the Division of Facilities and Construction Management’s (DFCM) recommended allocations of FY 2024 capital improvement funding to institutions of higher education and state agencies (rounded to the nearest \$100).

Division of Facilities and Construction Management’s Recommended Capital Improvement Allocations for FY 2024

Higher Education – Degree Granting	
Salt Lake Community College	6,554,400
Snow College	3,588,500
Southern Utah University	4,719,800
University of Utah	33,717,200
Utah State University	17,515,000
Utah Tech University	5,434,800
Utah Valley University	8,667,100
Weber State University	7,144,500
Total	87,341,300

State Agencies

Higher Education – Technical Colleges	
Bridgerland	1,711,000
Davis	1,877,600
Dixie	802,300
Mountainland	1,424,200
Ogden-Weber	1,320,000
Southwest	490,400
Tooele	482,100
Uintah Basin	1,100,000
Total	9,207,600

Other



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Agriculture and Food	600,000
Alcoholic Beverage Services	2,416,800
Board of Education	324,100
Capitol Preservation Board	3,870,200
Corrections	10,022,000
Courts	7,237,700
Environmental Quality	50,300
Government Operations	10,003,600
Health and Human Services	8,207,300
Heritage and Arts	1,131,600
National Guard	5,035,800
Natural Resources	7,256,200
Public Safety	3,551,600
Schools for the Deaf and Blind	1,716,000
Tax Commission	919,300
Transportation	5,129,000
Utah State Fairpark	1,332,800
Veteran Affairs	1,476,000
Workforce Services	1,532,600
Total	71,812,900

Capital Improvements PMs	3,000,000
FCAs for UofU, USU, WSU and UVU	430,000
Hazmat Program	1,500,000
Paving Program Funding	1,300,000
Roofing Program Funding	1,500,000
FCAs Statewide	1,000,000
Unassigned CI Funding	3,581,200
Improvement Network Connectivity for Utah State Prison	966,200
Priority Project	28,021,400
Statewide Fuel Tank Upgrades – Fleet	500,000
Total	41,798,800

Grand Total **210,160,600**

Source: [Division of Facilities and Construction Management, Five-Year Building Program, Fiscal Year 2024.](#)



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Capital Development

Capital development means a: remodeling, site, or utility project with a total cost of \$3,500,000 or more; a new facility with a construction cost of \$500,000 or more; or purchase of real property where an appropriation is requested to fund the purchase (UCA [63A-5b-401](#)). Statute requires DFCM, on behalf of all state agencies and institutions, to submit its capital development recommendations and priorities to the Legislature for approval and prioritization (UCA [63A-5b-402](#)). DFCM may approve a capital development project without the approval of the Legislature if DFCM determines that a requesting agency or institution has provided adequate assurance that state funds will not be used for construction, operation and maintenance, or future capital improvements of the facility; and that the use of the state property is appropriate and consistent with the master plan for the property and will not create an adverse impact on the state (UCA [63A-5b-404](#)).

The following tables show capital development projects for FY 2024 as listed in DFCM’s [Five-year Building Program](#).

Higher Education Requests – Dedicated Projects

Agency / Institution	Project	State Funding Request	Total Estimated Cost	Total Square Feet after Project	Cost per Square Foot	Increased State O&M	Annual Capital Improve.
Weber State University	Engineering Technology Building Renovation	\$8,332,400	\$8,332,400	74,866	\$238.98	\$339,700	\$91,700
Utah State University	Huntsman Experiential Learning Center	\$10,236,700	\$29,236,700	47,239	\$216.70	\$393,500	\$321,600
Utah State University	Science Engineering Research Building Renovation	\$4,975,900	\$4,975,900	14,600	\$340.31	\$29,600	\$54,700
Salt Lake Community College	Business Building Expansion & Remodel	\$18,092,300	\$31,191,000	80,060	\$210.23	\$767,400	\$343,100
Southern Utah University	Business Building West Addition	\$12,500,000	\$17,344,300	21,640	\$577.63	\$92,100	\$190,800

Higher Education Requests – Non-Dedicated Projects

Agency / Institution	Project	State Funding Request	Total Estimated Cost	Total Square Feet after Project	Cost per Square Foot	Increased State O&M	Annual Capital Improve.
Mountainland Technical College	Wasatch Campus Building	\$65,736,500	\$66,650,500	99,631	\$659.80	\$848,200	\$733,200
University of Utah	Price Computing & Engineering Building	\$108,344,200	\$189,342,100	316,926	\$341.86	\$2,302,300	\$2,082,800



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State Agency Requests

Agency / Institution	Project	State Funding Request	Total Estimated Cost	Total Square Feet after Project	Cost per Square Foot	Increased State O&M	Annual Capital Improve.
Department of Government Operations	DFCM Statewide Master Plan/Renovation Fund	\$254,000,000	\$255,000,000	-	-	-	-
Department of Government Operations	Block 407	\$30,000,000	\$30,000,000	-	-	\$0	\$330,000
Multiple State Agencies	Richfield Regional Center	\$16,001,800	\$16,001,800	23,000	\$695.73	(\$319,000)	\$176,000
Department of Natural Resources	Loa Fish Hatchery	\$56,843,400	\$56,843,400	125,800	\$451.77	\$0	\$625,300
Department of Public Safety	Emergency Operations Center	\$34,914,400	\$34,914,400	37,800	\$923.66	\$100,000	\$384,100
Department of Natural Resources	Logan Fish Experiment Station	\$9,933,300	\$9,933,300	9,986	\$994.73	\$0	\$109,300
Department of Transportation	Ogden Maintenance Signals & Materials Lab Replacement	\$23,469,700	\$23,469,700	34,500	\$491.00	\$0	\$258,200
Utah Lake Commission*	Utah Lake Research Center	\$22,270,700	\$22,270,700	26,000	\$856.57	\$0	\$245,000
Department of Public Safety	Evidence Warehouse	\$16,604,900	\$16,604,900	20,000	\$830.24	\$0	\$182,700
Department of Health and Human Services	Unified State Laboratory 2 Renovations & Office Addition	\$29,996,500	\$29,996,500	41,457	\$723.56	\$253,400	\$330,000
Department of Natural Resources	Camp Floyd Museum	\$16,302,400	\$16,982,400	8,569	\$2,191.28	\$25,000	\$186,800

* The Utah Lake Commission is a government agency funded and empowered by 15 local municipalities, Utah County, Central Utah Water Conservancy District (CUWCD), 4 state agencies, and representation from both houses of the State Legislature.

Department of Alcoholic Beverage Services Requests

Agency / Institution	Project	State Funding Request	Total Estimated Cost	Total Square Feet after Project	Cost per Square Foot	Increased State O&M	Annual Capital Improve.
Department of Alcohol Beverage Services	Salt Lake Warehouse Addition	\$87,901,600	\$87,901,600	310,650	\$699.58	\$478,000	\$966,900
Department of Alcohol Beverage Services	Ogden Liquor Store	\$9,732,800	\$9,732,800	12,500	\$778.62	\$56,200	\$107,100
Department of Alcohol Beverage Services	Roy Liquor Store Replacement	\$9,732,800	\$9,732,800	12,500	\$778.62	\$39,300	\$107,100
Department of Alcohol Beverage Services	Moab Liquor Store	\$11,632,800	\$11,632,800	12,500	\$930.63	\$38,300	\$128,000



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Land Bank Requests

DFCM included the following land bank requests in its FY 2024 Five-year Building Program:

- Mountainland Technical College, Wasatch Community: \$3,000,000;
- Snow College, Triple D: \$3,000,000;
- Snow College, Jorgenson Property: \$850,000;
- Snow College, Nephi Property: \$2,000,000; and
- Weber State University, Farmington Station: \$5,723,800.

LFA Options

- 1) The Higher Education Capital Projects Fund (HECPF) and the Technical Colleges Capital Projects Fund (TCCPF) have gradually accumulated balances since the funds were appropriated \$120.0 million ongoing in the 2022 General Session. If the Legislature would like to appropriate more funding for higher education capital project requests, the following options are available:
 - a. Appropriate additional funding to the HECPF and TCCPF where the funding would be distributed through the allocation formula; or
 - b. Appropriate additional funding needed to each individual project.
- 2) The Department of Alcohol and Beverage Services (DABS) typically funds the construction and renovation of stores by using revenue bonds.
 - a. DABS could fund stores through a revolving loan fund.
 - b. The Legislature could appropriate a one-time amount to the revolving loan fund for the construction of new state liquor stores in lieu of bonding.